

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Center for Medicaid and CHIP Services
Disabled and Elderly Health Programs Group

NOV 2 2011

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Suzanne Brennan
Medicaid Director
Colorado Department of Health Care Policy and Financing
1570 Grant Street
Denver, CO 80203

Attn: Jim Leonard

Dear Ms. Brennan:

We have reviewed the revised supplemental drug rebate agreement (SRA) submitted by Colorado that changes the pricing metric used to calculate the supplemental rebate amount from an Average Wholesale Price (AWP) to a Wholesale Acquisition Cost (WAC) based methodology. We do not consider this to be a substantive change; therefore, the State is not required to submit a State Plan Amendment (SPA). As requested by the State, we are pleased to inform you that the attached SRA is authorized, effective October 1, 2011.

We believe that the Colorado SRA continues to be consistent with the objectives of the Medicaid program. Please note that this authorization extends only to the revised SRA, amendments and exhibits that are attached to this correspondence. These revised SRA documents will replace the current SRA packet submitted to the Centers for Medicare & Medicaid Services (CMS) on December 20, 2007 and effective on January 1, 2008. If changes are subsequently made to the supplemental drug rebate agreements, amendments or exhibits, any such documents should be submitted to CMS for review and authorization.

By copy of this letter, the Denver Regional Office is also notified of this SRA revision. If you should have any further questions or require additional information, please contact Wendy Tuttle at (410) 786-8690.

Sincerely,

Larry Reed
Director
Division of Pharmacy

cc: Richard Allen, ARA, Denver Regional Office
Diane Dunstan-Murphy, Denver Regional Office